








# SUGAR LAND DEVELOPMENT CORPORATION

## AGENDA REQUEST

<b>AGENDA OF:</b>	<b>10-01-13</b>	<b>AGENDA REQUEST NO:</b>	<b>III-A</b>
<b>INITIATED BY:</b>	<b>JENNIFER BROWN</b>	<b>RESPONSIBLE DEPARTMENT:</b>	<b>BUDGET &amp; RESEARCH</b>
<b>PRESENTED BY:</b>	<b>JENNIFER BROWN</b>	<b>DIRECTOR:</b>	<b>JENNIFER BROWN</b> 
		<b>ADDITIONAL DIRECTOR (S):</b>	<b>N/A</b>
<b>SUBJECT / PROCEEDING:</b>	<b>CONSIDERATION AND APPROVAL OF THE ISSUANCE OF \$7,200,000 IN SUGAR LAND DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, SERIES 2013</b>		
<b>EXHIBITS:</b>	<a href="#"><u>PRELIMINARY OFFICIAL STATEMENT</u></a> <a href="#"><u>RESOLUTION 2013-10-06</u></a>		
<b>CLEARANCES</b>		<b>APPROVAL</b>	
<b>LEGAL:</b>	<b>MARY ANN POWELL,</b> <b>CITY ATTORNEY</b>  <b>(RESOLUTION PREPARED BY ANDREWS &amp; KURTH, LLP, BOND COUNSEL)</b>	<b>DIRECTOR:</b>	<b>REGINA MORALES</b> 
<b>PURCHASING:</b>	<b>N/A</b>	<b>EXECUTIVE DIRECTOR:</b>	<b>MIKE GOODRUM</b> 
<b>BUDGET:</b>	<b>JENNIFER BROWN</b> 	<b>ASSISTANT CITY MANAGER:</b>	<b>N/A</b>
<b>BUDGET</b>			
<b>EXPENDITURE REQUIRED: \$</b>		<b>N/A</b>	
<b>CURRENT BUDGET: \$</b>		<b>N/A</b>	
<b>ADDITIONAL FUNDING: \$</b>		<b>N/A</b>	
<b>RECOMMENDED ACTION</b>			
Approve Resolution 2013-10-06 authorizing the issuance of Sugar Land Development Corporation Sales Tax Revenue Bonds, Series 2013; prescribing the terms and conditions of said bonds; providing for the security for and payment of said bonds; awarding the sale thereof; and containing other provisions relating to the subject.			

## EXECUTIVE SUMMARY

The Corporation's fiscal year 2013 budget includes the issuance of approximately \$7 million in Sales Tax Revenue Bonds to fund design and engineering work related to the development of the City's performing arts center. The principal amount of the bonds is estimated at \$7,200,000 which yields \$6.61 million to the project budget and pays the issuance costs related to the bond issue. The bonds will be dated October 1, 2013 and the first payment will be due on February 15, 2014.

The preliminary official statement has been prepared and the bonds are being placed on the market for competitive sale on October 1, 2013 at 1:00pm central daylight time. The bonds will have a 25 year maturity schedule, to allow repayment of the funds across the majority of the lease period with ACE Sugar Land LLP.

The bonds will be repaid from a pledge of sales tax revenues from the Sugar Land Development Corporation. Coverage of maximum debt service requirements with September 30, 2013 sales tax projections is 3.77x, which exceeds the minimum of 1.25x required by bond covenants. Average annual debt service for all debt after this issue is estimated at \$940,477 with a maximum debt service estimated at \$1.45 million in 2025. The bonds are rated by Moody's at "Aa3" and Standard & Poor's at "A+".

The Corporation's financial advisors, First Southwest Company, will be at the meeting to present the results of the sale. The Corporation's bylaws require approval by City Council before the bond resolution becomes effective. City Council will consider approval of the bond sale at their October 1st regular meeting at 5:30pm.

## EXHIBITS